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FISCAL IMPACT STATEMENT

LS 7238

BILL NUMBER: HB 1614

NOTE PREPARED: Jan 15, 2007

BILL AMENDED:

SUBJECT: Standard Architectural Designs for Schools.

FIRST AUTHOR: Rep. Elrod

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: X **GENERAL**
DEDICATED
FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill requires the Department of Education to develop and make available to school corporations standardized plans for new school facilities and for renovations and expansions of existing school facilities that are ready to be bid for construction. It requires a school corporation proposing to build a new facility or to renovate or expand an existing facility to use the plans prepared by the Department.

Effective Date: July 1, 2007.

Explanation of State Expenditures: The Department of Education (DOE) would need to add staff who can develop or modify a series of plans for new school facilities and for renovation and expansions of existing facilities. Prior to 1995, DOE employed four professional staff to review construction proposals.

Assuming that at least two staff members at \$55,973 and one administrative assistant at \$30,960 would be needed to perform this function, a portion of the cost would be \$206,540 for FY 2008 and \$204,615 for FY 2008. The funds and resources required above could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. DOE had 86 vacant positions worth \$941,698 as of January 1, 2007. Of the vacant positions, 24 had been vacant for more than two years. DOE reverted about \$3.3 M to the state General Fund on June 30, 2006. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

The initial development of the variety of standardized plans is probably more than two staff people can accomplish. The plans must be developed for different sizes and types of schools. For the first year, DOE will probably need to contract with architects, engineers, or other professionals to assist in the development of standardized plans since the plans have to be developed by June 30, 2008.

School construction projects included architect fees of \$32 M in CY 2006 and \$59.7M in CY 2005. Over the last five years architect fees have ranged from \$32 M to \$65.5M. The cost would depend on the number of plans developed by DOE and by outside consultants, but DOE costs could range from \$2 M to \$3 M in the first year.

Explanation of State Revenues:

Explanation of Local Expenditures: The Department of Local Government Finance approved school construction projects worth \$687.2M during CY 2006 and \$1,261.8 M during CY 2005. Of the \$687.2 M, \$32 M was budgeted for architect fees on the construction projects. After June 30, 2008, when DOE has developed the standardized plans, local school corporation architect fees for construction of new school facilities and renovation and expansions of existing facilities should diminish significantly. Schools would be required to use the plans developed by DOE.

Explanation of Local Revenues:

State Agencies Affected: Department of Education.

Local Agencies Affected: Schools.

Information Sources: Department of Local Government Finance.

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